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# The U.S. Contribution to World Food Security

The U.S. Position Paper  
Prepared for the  
World Food Summit



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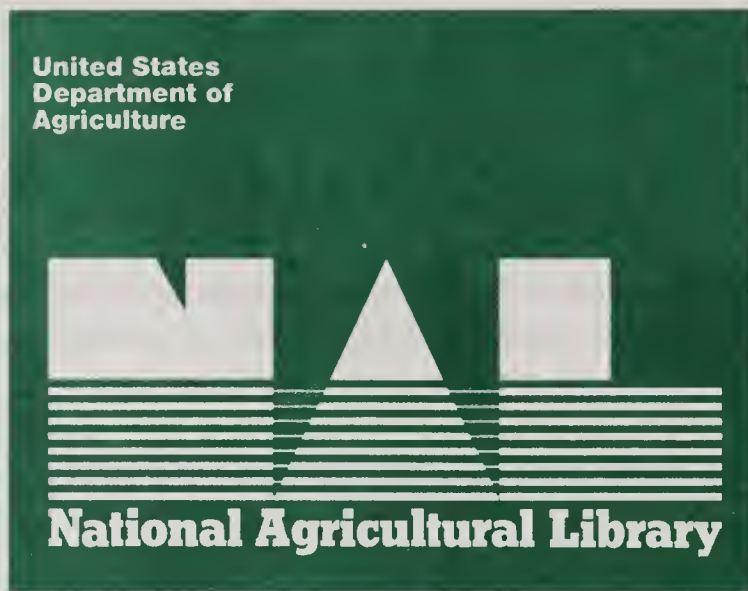
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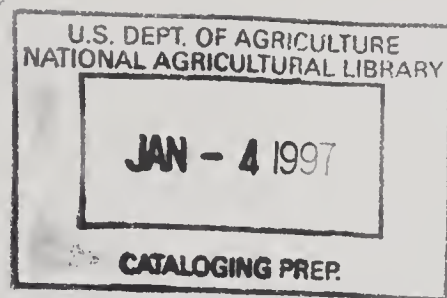
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This paper is dedicated to those who perished in Secretary of Commerce Ron Brown's trade development mission to Bosnia in April 1996. All the members of that mission--from both government and the private sector--gave their lives in the promotion of international development. They represent the best in American public service.

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## U.S. Country Paper

### Executive Summary

Over the past two decades, the international community has taken great strides in reducing the numbers of chronically undernourished people in developing countries. Today, many countries can point to a number of battles won, particularly in terms of economic development and dramatic increases in agricultural production. Nonetheless, a staggering number of people--nearly 800 million--still go to bed hungry or malnourished each night. This is simply unacceptable.

For the United States, improving global food security is an essential key to world peace and the national security of our country. Food security is simply too basic and too fundamental to individual human dignity and survival. The November 1996 World Food Summit at the Food and Agriculture Organization (FAO) in Rome will help focus the attention of world leaders on the devastating effects of chronic hunger and malnutrition.

The United States sees an urgent need for all countries to tackle the food security problem with renewed intensity. Accordingly, the United States is using the occasion of the World Food Summit to spur a comprehensive review of its policies and actions -- past and present -- as they relate to global and domestic food security. This paper reflects that review, as well as policies and actions the United States will pursue to help the world achieve food security in the future.

Food security exists when all people at all times have physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life. Many interrelated factors influence the availability, access, and utilization of food, and thereby food security of individuals and countries. Apart from natural disasters, the following are root causes of food insecurity: war and civil strife; inappropriate national policies; inadequate development, transfer, and adaptation of agricultural and other research and technology; barriers to trade; environmental degradation; poverty; population growth; gender inequality; and poor health.

The root causes of food insecurity listed above must be addressed by both individual countries and the international community as a whole. The current budget environment means that developing countries will have to take primary responsibility for improving their own food security with limited external assistance. Nevertheless, the United States intends to continue to play a major role in promoting food security around the world. To this end, the United States intends to:

1. Share its expertise with selected countries wishing to review and change their national policies to improve food security.
2. Enhance U.S. Government support for research and technology development in agriculture and related sectors, both at home and abroad.

3. Continue support for food security through the use of agricultural programs, development assistance, and food aid. Employ an integrated approach to sustainable development, with a strong emphasis on those countries that show a good-faith willingness to adopt necessary policy reforms.
4. Work with all countries to achieve freer trade and to assure that the benefits are equitably realized. Urge all countries to open their markets in the interest of achieving greater stability and participation in the world market.
5. Continue support for international efforts to respond to and prevent humanitarian crises that create emergency food aid needs.
6. Continue efforts to encourage and facilitate implementation of food security-related actions adopted at recent international conferences or established in recently agreed-to conventions.
7. Work within the multilateral system to enhance global approaches to food security.
8. Continue to work toward food security for all Americans.

Those countries that have demonstrated the most progress in achieving food security are those that have seriously pursued policy reform, macroeconomic stabilization, and structural adjustment, while focusing government activities on public goods investment and provision of safety nets. Such commitment and assumption of responsibility at the national level create a climate conducive to private and public external investment. Developed and developing countries alike should work in partnership to achieve this climate, taking into account the particular circumstances of each individual country. The United States stands ready to join in a new kind of partnership with all countries prepared to face the challenge of conquering world hunger and to take the difficult steps necessary to meet and surmount that challenge.

## **U.S. Country Paper**

### **Introduction**

Over the past two decades, the international community has taken great strides in reducing the numbers of chronically undernourished people in developing countries. Today, many countries can point to a number of battles won, particularly in terms of economic development and dramatic increases in agricultural production. Nonetheless, a staggering number of people--nearly 800 million--still go to bed hungry or malnourished each night. This is simply unacceptable.

For the United States, improving global food security is an essential key to world peace and the national security of our country. Food security is simply too basic and too fundamental to individual human dignity and survival. The November 1996 World Food Summit at the Food and Agriculture Organization (FAO) in Rome will help focus the attention of world leaders on the devastating effects of chronic hunger and malnutrition.

Food security is often dependent on conditions we cannot control. Farmers and other food producers around the world suffer serious production losses as a result of drought, floods, and other forces of nature. Other factors, however, are more susceptible to human intervention, including national policies, production technologies, population growth rates, resource management (especially soil and water), and political stability. Unless efforts are undertaken now to address the roots of hunger, millions more -- particularly in Sub-Saharan Africa and South Asia -- will die of hunger or be malnourished in the next millennium. (See Annex I.)

The United States sees an urgent need for all countries to tackle with renewed intensity the challenge posed by food insecurity. Our humanitarian interests, our economic interests, and our national security are at stake. Moreover, if the United States is not part of the solution, it will only end up dealing with the consequences on a scale that makes recent crises in Somalia, Ethiopia, and Rwanda pale by comparison.

Accordingly, the United States is using the occasion of the World Food Summit to spur a comprehensive review of its policies and actions -- past and present -- as they relate to global food security. This paper reflects that review, as well as policies and actions the United States will pursue to help the world achieve food security in the future.

### **Why a World Food Summit? How Can It Contribute to Global Food Security?**

The World Food Summit, an initiative of FAO Director-General Jacques Diouf, will take place at the FAO headquarters in Rome Nov. 13-17, 1996. The Summit can provide a venue for a new kind of partnership between the developed and developing world to improve food security and increase food self-reliance in an era witnessing ever-tighter budget constraints, including reduced resources for development assistance and food aid. This will best be achieved through a variety of actions: adoption of appropriate national policies, including conflict resolution; free and



open trading systems; shared agricultural and other research; promotion of the critical role of sustainable development in the agriculture, forestry, and fisheries sectors, with special emphasis on soil and water management systems; adoption of social policies that recognize the essential role of women, population stabilization, education, and health factors in food security; and development and emergency assistance, including, where necessary, food aid. While supportive government policies are essential, farmers and other food producers grow food. Individual members of the private sector and non-governmental organizations are key to food security in the global market from the farmer and other food producers to the consumer.

From the beginning, FAO member states have agreed that the World Food Summit: is not a conference about pledging new resources; is not aimed at creating new financial mechanisms, institutions, or bureaucracies; and will not reopen agreements reached in other fora. Rather, this FAO-sponsored event is designed to examine realistic approaches to food security.

It is also essential that current market conditions and strong grain prices not divert the Summit from its primary purpose of addressing the long-term challenge of global food security. Failure to keep the current situation in proper perspective can lead to calls for inappropriate market-distorting actions and policy changes. Whatever near-term benefits such changes might provide, they will only make the road to long-term global food security even harder.

### **What Is Food Security?**

Food security exists when all people at all times have physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life. Food security has three dimensions:

**AVAILABILITY** of sufficient quantities of food of appropriate quality, supplied through domestic production or imports;

**ACCESS** by households and individuals to adequate resources to acquire appropriate foods for a nutritious diet; and

**UTILIZATION** of food through adequate diet, water, sanitation, and health care.

While not usually set apart, it is widely recognized that the achievement of the above three dimensions must be sustainable economically, socially, politically, and environmentally, preserving the long-term productive capacity of the natural resource base. Moreover, these dimensions must be addressed at the global, regional, national, household, and individual levels. Achievement of food security at one level does not ensure achievement at all levels. For example, there are countries that have adequate food supplies, but still contain large pockets of food insecurity within their borders. It is particularly important to distinguish between food availability at global, national, and regional levels, and food access at household and individual levels.

## **Why Is Food Security Important for the United States?**

It is in the best interests of the United States to make global food security at all levels a priority for three reasons: our humanitarian interests, our economic interests, and our national security. U.S. Secretary of Agriculture Dan Glickman, at the FAO's 50th Anniversary Observance in Quebec City, Canada, in October 1995, stated that the United States is committed to working toward programs and policies that recognize and respond to the food security needs of all nations.

The United States has a long tradition of answering the calls of those in need. And more and more, we find that no one can go it alone in this world. We are more connected than ever before by trade in goods and services, information, and ideas. Grain imports in Asia affect farmers' purchasing power in Kansas and the amount of food available for hungry children in Rwanda. Long-term U.S. strategic interests are also affected. In crisis-ridden, food-insecure Somalia, Rwanda, Haiti, and now former Yugoslavia, U.S. troops have recently played a pivotal role in saving lives, restoring order, and protecting U.S. interests. Looking to the future, a food crisis in North Korea could threaten stability in a region vital to U.S. security.

## **What Factors Influence Food Security?**

All three dimensions of food security -- availability, access, and utilization -- may be seriously undermined by any number of root causes. Apart from natural disasters, these include: war and civil strife; inappropriate national policies; inadequate development, dissemination, adaptation, and adoption of agricultural and other research and technology; barriers to trade; environmental degradation; poverty; population growth; gender inequality; and poor health. (See Annex II.)

## **What Can the United States Do To Improve Food Security?**

The root causes of food insecurity listed above must be addressed by both individual countries and the international community as a whole. With this in mind, the United States has established four primary objectives to guide its participation in the World Food Summit:

- Adoption of appropriate national policies by all countries as the foundation of food security at all levels;
- Assertion of the U.S. role in assisting other countries to overcome hunger and malnutrition through U.S. leadership in agricultural, fisheries, and trade policies; development assistance; agricultural research; long-term environmental forecasting; and, as necessary, food aid;
- Promotion of the critical role of sustainable development in the agriculture, forestry, and fisheries sectors in achieving food security; and



- Recognition of the essential role of women, population stabilization, education, and health in the food security equation.

### **A. What Has the United States Done To Improve Food Security in the Past?**

At home and abroad, the United States has already taken steps designed to achieve these objectives. The United States has a strong record in support of domestic food security, which is in large part a credit to the success of the nation's agricultural production, processing, and distribution sectors. While significant problems remain with regard to food access and nutrition for some sub-populations, public- and private-sector efforts continue to work toward food security for all Americans. The capacity of the U.S. farm and food system to contribute to both domestic and international food security will be continued under the Federal Agriculture Improvement and Reform Act of 1996, which allows flexibility to respond to market conditions, supports research, and provides incentives for conservation and sustainable resource use.

The United States also contributes to domestic food security through food assistance programs targeted at low-income individuals, programs to promote healthy eating, and actions to promote food safety and quality. A series of income and medical safety net programs indirectly support household food security by maintaining adequate incomes for the elderly, disabled, and economically vulnerable people. Sustainable forest and fisheries management policies and programs are also critical dimensions of the commitment to long-term food security. (See Annex III.)

The United States contributes to global food security by remaining a major supplier of agricultural commodities to the world market. World agricultural trade is approaching \$250 billion, and the U.S. share of this total is estimated at about 23 percent. U.S. agricultural exports for fiscal year 1996 are projected to reach a record level of \$60 billion. Additionally, the United States is the third largest agricultural importer in the world. In fiscal year 1996, U.S. agricultural imports are projected to reach \$30.5 billion, with more than 50 percent coming from the developing world. Similarly, U.S. fishery imports will total a projected \$6.5 billion in 1996, with more than half of this amount originating in developing countries.

The United States is committed to remaining a reliable supplier of food to its trading partners. In particular, the Secretary of Agriculture has reaffirmed that the U.S. Government will not restrict exports because of current high prices and tight supplies. The U.S. market will efficiently allocate grains among domestic and export users based on market prices. This policy is in sharp contrast to actions taken by some exporters who are protecting domestic grain users from tight supply by taxing exports to stem the outward flow.

Since 1962, the United States has provided over \$250 billion in non-military economic assistance. In 1995, this assistance was over \$10 billion, of which nearly 80 percent was devoted to bilateral programs to more than 90 countries. About \$1.35 billion worth of U.S. contributions were in the form of food aid assistance, including \$500 million for emergency relief. The United States

provides over half of its global food aid in most years through the Food for Peace Program and the Food for Progress Program. The United States has made major contributions to (and seen major benefits from) international agricultural research programs and international financial institutions that deal with agricultural and rural development programs. Finally, U.S. leadership in implementing General Agreement on Tariffs and Trade (GATT)-mandated trade liberalization measures has contributed substantially to freer trade in agricultural commodities. (See Annex IV.)

## **B. What Will the United States Do To Improve Food Security in the Future?**

The current budget environment for foreign assistance is grim, both in the United States and abroad. Developing countries must take primary responsibility for improving their own food security with limited external assistance. Despite this budget reality, the United States will continue to play a major role in promoting global food security. The United States intends to:

1. **Share its expertise with selected countries wishing to review and change their national policies to improve food security.** Appropriate national policies are essential for a country to improve food security. The United States stands ready to provide technical expertise to help selected countries develop and implement sound food security policy frameworks.
2. **Enhance U.S. Government support for research and technology development in agriculture and related sectors, both at home and abroad.** A strong domestic research base will allow the United States to maintain and increase its capacity to be a reliable source of food and a source of technology for use by other countries. The United States will continue support for international agricultural research centers and genetic resource banks, as well as institutions devoted to development and adaptation of research for local use, including reduction of post-harvest losses.
3. **Continue support for food security through the use of agricultural programs, development assistance, and food aid. Employ an integrated approach to sustainable development, with a strong emphasis on those countries that show a good-faith willingness to adopt necessary policy reforms.** This support includes policy reform dialogue, population stabilization, improved health and education systems, freer international markets, rural development (including locally controlled credit), and peaceful conflict resolution. Top priority will be given to the Greater Horn of Africa Initiative and support for the Southern Africa Development Conference. The United States also will consider targeting assistance and other incentives to those countries and regions most likely to take steps on their own to help themselves. The United States urges other developed countries and non-traditional donors to participate more actively in provision of food aid and other assistance.
4. **Work with countries to achieve freer trade and to assure that the benefits are equitably realized.** Urge all countries to open their markets in the interest of achieving greater stability and participation in the world market. The United States supports a freer



and more open trading system in accordance with the Agreement on Agriculture reached at the Uruguay Round of Multilateral Trade Negotiations (see Annex V) and urges countries to be reliable suppliers and refrain from taking unnecessary actions to provide short-term internal price stability at the expense of international market stability.

5. **Continue support for international efforts to respond to and prevent humanitarian crises that create emergency food aid needs.** The United States will continue support for refugee assistance, disaster assistance, and food aid for emergency needs, and support international and other humanitarian organizations that respond to such crises. The United States will also continue to work with other countries to prevent conflict and build local capacity to prepare for natural disasters in order to mitigate their impact. The United States recognizes that the sharp decline in large producer-held food reserves has reduced one means of providing food in response to unforeseen emergency food needs. To meet these situations, the United States currently programs food aid for both predicted and unanticipated emergency needs, and urges other donors to do the same. In addition, the United States has restructured its Food Security Commodity Reserve to be more responsive to changing grain needs and is reviewing ways to further strengthen this Reserve within budgetary constraints.
6. **Continue efforts to encourage and facilitate implementation of food security-related actions adopted at recent international conferences or established in recently agreed conventions.** The U.N. Conference on Environment and Development, the International Conference on Population and Development, the International Conference on Nutrition, the Fourth World Conference on Women, the U.N. Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks, and the FAO Code of Conduct for Responsible Fisheries all emphasized sustainable national policies that will improve global food security. (See Annex VI.)
7. **Work within the multilateral system to improve global approaches to food security.** The United States encourages the multilateral financial institutions to reinforce their efforts to assist eligible countries facing balance-of-payments problems caused by short-term increases in food import costs that undermine a country's ability to assure food security. In addition, the United States encourages the multilateral development organizations to give greater priority to agricultural and rural development lending and grant commitments for the poorer countries, especially countries which are pursuing sound economic policies in Sub-Saharan Africa. The United States also urges these organizations to improve their institutional capacity to enable them to assist developing countries keen to revamp their own national food policies and to enable developing countries to implement the agreements listed above.
8. **Continue to work toward food security for all Americans.** Recognizing that there exist food insecure populations in the United States, the Government continues its pledge to maintain a nutrition safety net that provides access to food and promotes healthy eating.



The United States is committed to insuring the effectiveness of Federal nutrition assistance programs and supports the use of public and private partnerships to increase food security.

### **What National Policies and Actions Does the United States Advocate To Improve Food Security?**

The most important prerequisite for improving food security within a country is the development and implementation of an appropriate policy framework. Because their policies affect world market conditions, this is important not only in low- and middle-income food-insecure countries, but also in high-income countries. The United States advocates the following national policies and actions to improve food security:

- Adopt economic policies that facilitate and complement efficient markets, rather than attempting to substitute government action for markets. Government should establish and enforce the rules of the game and create and sustain a stable economic environment that is conducive to the full participation of the private sector. Government should also invest in public goods infrastructure including transportation, communications, education, and social safety nets.

- Provide basic health and sanitary services, maintain basic levels of nutrition, and facilitate voluntary population stabilization.

- Develop institutions and a land tenure system that provide broad access to land services and incentives for users to protect and invest in the long-term productivity of natural resources.

- Ensure a political system that does not discriminate against women and which fosters political stability without resorting to repressive measures.

- Provide a macroeconomic and trade environment with linkages to global markets so that long-term changes are transmitted to the domestic economy, thus avoiding macroeconomic imbalances that could induce destabilizing adjustments.

- Foster food, agricultural, and fishery policies that are consistent with the resource endowment of the country, including preservation of biological diversity, and supportive of its natural comparative advantage.

- Adopt policies that provide an effective incentive structure for sustainable management of natural resources, including: soil, water, and genetic resource management, including preservation of biological diversity; food, agricultural, forestry, and fisheries policies; and the effective integration of trade and domestic policies.

- Emphasize investment in agricultural research and technical education, international research systems, and policies that facilitate the flow of knowledge and technology among and within countries while protecting intellectual property rights so necessary to provide incentives for private sector research.

--Establish a general development policy that does not discriminate against the agricultural or fishery sectors, nor against rural or coastal areas, and that recognizes that poverty alleviation requires an integrated approach to rural development.

--Combat graft and corruption wherever it exists, especially in the political and economic systems.

Those countries that have demonstrated the most progress in achieving food security are those that have seriously pursued policy reform, macroeconomic stabilization, and structural adjustment, while focusing government activities on public goods investment and provision of safety nets. Such commitment and assumption of responsibility at the national level create a climate conducive to private and public external investment. Developed and developing countries alike should work in partnership to achieve this climate, taking into account the particular circumstances of each individual country.

### **Conclusion**

Many battles have been won in the long struggle against hunger and malnutrition around the world, but victory remains beyond our grasp. Moreover, the problem of global food insecurity threatens to worsen significantly in the coming years, as population growth and changing consumption patterns increase demand, while uneven food distribution and environmental pressures threaten supplies, at least in certain countries and regions of the world. The United States stands ready to join in a new kind of partnership with all countries prepared to face the challenge of conquering world hunger and to take the difficult steps necessary to meet and surmount that challenge.

## ANNEX I

### PROJECTIONS: WORLD FOOD SECURITY IN THE YEARS AHEAD

#### Introduction

The last global food conference was the 1974 World Food Conference (WFC), which was precipitated by the confluence of a series of events that resulted in short food supplies, rapidly rising world market prices, and the fear that this marked the beginning of a permanently changed world. These events included: (1) a period in the late 1960s of low returns to agriculture and concomitant low levels of investment, particularly in research; (2) signs that the Green Revolution that had been so successful in Asia was faltering elsewhere; (3) a 1972-73 monsoon failure in South Asia; (4) failure of the Peruvian anchovy catch; (5) short cereal crops in the Northern Hemisphere (including the USSR); (6) reduced global grain production by about 3.5 percent; (7) a changed USSR policy, which led to the USSR's entry into the world market to buy grain rather than reducing its livestock herd to deal with shortfalls; the USSR also attempted to maintain grain stocks, which resulted in an 80-percent increase in world food commodity prices; and (8) the first OPEC oil shock that increased prices of most agricultural inputs in 1973. By the time the WFC was held, the crisis was receding, but the need to increase agricultural supply response remained.

The WFC's goal of eliminating undernutrition within a decade was not achieved, but there has been significant progress, especially since the world's population increased by 57 percent from 1969-71 to 1990-92. Eighty-six percent of that increase has occurred in developing countries. FAO estimates that the proportion of food-insecure people has declined from 35 percent in 1969-71 to 20 percent in 1990-92.

The world has made significant progress to improve food security over the past 20 years. In 1969, some 36 percent of the people living in developing countries were undernourished; by 1990, the proportion had dropped by half--to 20 percent. Despite such progress, the number of undernourished in the developing countries by the year 2010 is still projected to be between 700 to 800 million. The two regions expected to have the largest number of undernourished remain South Asia and Sub-Saharan Africa.

The primary focus of the upcoming World Food Summit (WFS) is the unfinished job of enhancing food security for that 700-800 million people who are still food-insecure. In this sense, the crisis is perceived to be geographically concentrated -- not the global crisis of the early 1970s. However, there are global concerns about the longer term capacity of the world to meet ever-increasing food needs without destroying the environment and natural resource base, particularly as economic pressures and policy changes have reduced global public investment in agricultural research and financial support for agricultural development.

This annex contains two parts: (1) recent analyses/projections of world food demand and supply over the next two to three decades, and (2) a projection of food needs and availabilities



and analysis of the effects of alternative assumptions about population, technology, and economic conditions.

## 1. Long-Term Outlook for Food Supply and Demand

Over the past 100 years or so, the world has managed to increase food production faster than population has grown. It has done so with increasing efficiency, resulting in ever greater per capita food availability and decreasing real prices. More recently, however, growth in agricultural production has slowed (3.0 percent per year in the 1960s, 2.3 percent in the 1970s, and 2.0 percent in the 1980-92 period), dependence on yield increases is growing, the fish catch is falling, some crops appear to be approaching their biological maximum yield, arable land is being lost to non-agricultural uses and degradation, water quality is being degraded, and irrigation has only limited potential for expanding production. The question is whether a "turning point" in the historical trend toward more plentiful and cheaper food has been reached.

Several recent studies have focused on the long-term (20-30 years) global food supply-demand balances. All generally agree that population will grow at about the U.N.'s median projection variant and will double in the next 40 years, reaching about 7 billion by 2010 and 8.5 billion by 2025. They agree that per capita incomes will continue to rise, further adding to food demand and that the trend toward urbanization will continue. The combined effects of population and income growth will result in food demand nearly doubling over the next 30 years.

As has been pointed out by Alex McCalla of the World Bank in his review of world food supply-demand projections, studies are in reasonable agreement on demand, but opinions differ as to how global agriculture will respond. Three projections arrive at reasonably similar results: Mitchell and Ingco (1993), FAO's *World Agriculture: Towards 2010* (1995), and the International Food Policy Research Institute's (IFPRI) 2020 project (1995). These studies are not predictions of the future, but descriptions of what can be expected under a very specific set of assumptions and circumstances. All assume small increases in cultivated area, with production gains coming primarily from yield. The models assume yield increases will continue at more recent, reduced levels (1.5-1.7 percent) and not return to historically higher levels (2.4 percent). None foresees a global shortfall between supply and demand because global demand is expected to grow at about the same rate as supply (1.5-1.7 percent per year). All expect that real prices will be constant (FAO) or decline in the future, although at a lower rate than in the past. All expect that developing countries will increase food imports, but that increased imports can be met by developed country exports.

These three studies can be characterized as optimistic in that they see no serious problems in meeting foreseen food demands over the next two to three decades. They do not assume that this will happen without continued investment in research, infrastructure, and human capital, and continued movement toward appropriate policies. They do not assume any weather outside the range of recent experience (e.g., any significant effects of global warming). Moreover, projected changes in global food supply, demand, and prices are very sensitive to assumptions made about

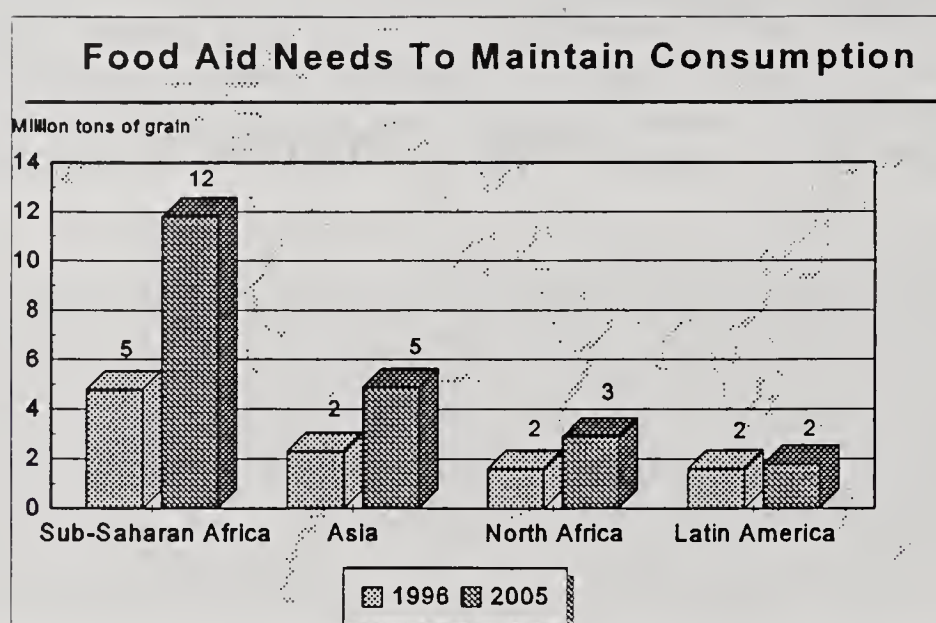
trends in population growth and agricultural productivity. For example, a 25-percent decline in the global growth rate for cereal yields leads to a rise in the world price by 70 percent for wheat, 40 percent for rice, 50 percent for maize, and 58 percent for coarse grains (IFPRI, p. 2). A 20-percent increase in population causes increased demand and a rise in world price of 30 percent for wheat, 18 percent for rice, 11 percent for maize, and 18 percent for other coarse grains (IFPRI, p.2).

A fourth study of global food prospects, Brown and Kane in *Full House: Reassessing the Earth's Population Carrying Capacity*, and a follow-up by Brown in *Who Will Feed China? Wake-up Call for a Small Planet*, come to quite different conclusions and might be characterized as the pessimist's view. They see as new constraints on production: (1) a shrinking backlog of unused technology; (2) food demands pressing against limits of contribution from fisheries and forests; (3) water demands approaching the hydrologic limits; (4) declining response to fertilizer; (5) loss of cropland to non-agricultural uses; and (6) "social disintegration" undermining governments and efforts to expand food production. Combined with the generally accepted demand projection, these constraints are seen leading to a generally dismal picture for world markets. These studies, especially *Who Will Feed China?*, see China's grain production decreasing and the resulting high demands for imports by China destabilizing markets and bidding food away from poorer consumers. Many analysts disagree with this pessimistic outlook, especially with respect to China. Regardless of their validity, however, Brown's analyses offer an important warning against becoming complacent about the future food situation.

With respect to fishery resources in particular, it should also be noted that many experts agree that unless major steps are taken, world food production from fishery resources could decline over the next 15 years while need and demand -- especially in the developing world -- will increase by approximately 50 percent. Even under optimum conditions, we cannot expect significant increases in world fisheries production by 2010. To a large extent, the limits of the productive capacity of the oceans have been reached. World production from ocean fisheries can be increased through improved conservation and management practices and reduction/utilization of waste, including fishing capacity reduction. The one fisheries sector that is subject to global increase is in the field of aquaculture. Resources should be applied in the development of aquaculture, as well as to assuring that this development is environmentally sensitive and sustainable.

Even with adequate global supplies, however, recent studies have all projected serious food problems in developing countries, primarily Sub-Saharan Africa and South Asia (*see graph: "Food Aid Needs To Maintain Consumption"*). Food insecurity will grow significantly in these regions, resulting either in higher food aid requirements or more serious malnutrition. All the studies conclude that such a dismal situation could be improved. They identify the keys to improvement as investments in technology and infrastructure to improve agricultural productivity, increased income growth, and reduced population growth rates. Responsive actions should be carefully targeted and focused on these specific countries or regions, rather than global actions.





## 2. Long-Term Food Needs

The implications of growing regional food insecurity were explored in USDA's recent analysis of the food security situation in some 60 food aid recipient countries, which found that food aid needs will nearly double over the next decade, even with reasonably optimistic assumptions about the countries' ability to produce their own food or have the capacity to import food commercially. Total food aid needed to maintain consumption and meet emergency needs for refugees is projected at 15 million tons in 1996, increasing to 27 million tons by 2005. More than twice as much would be needed if the consumption target were to meet minimum nutritional standards.

There is a looming mismatch between food aid resources and needs. In the past, food aid availability has averaged about 70-80 percent of needs. This is not projected to be true in the future. If global food aid budgets are maintained at 1995 levels, the gap between needs and resources will grow rapidly.

Factors limiting food aid resources are budget reductions in donor countries, coupled with the adoption of more market-oriented agricultural policies, which will reduce surpluses of traditional food aid donors such as the United States and the European Union (EU). Current high price levels also will reduce the quantity of food aid that can be purchased with given food aid expenditures.

The projections assume emergencies will continue at the level of the recent past and, thus, projected food aid needs in 2005 are chronic (80 percent). Fifty-five percent of the need is projected to be in Sub-Saharan Africa. Emergency needs, arising from production (weather) variability and political turmoil, which trigger refugees and displaced persons, are only 20 percent

of total needs. However, these could grow to 30 percent if the increase in the number of refugees follows the trend of the past decade.

The analysis highlights the importance of appropriate policies in developing countries as the foundation for improved food security. Countries that have undertaken policy reform and adjustment are better positioned for economic growth. About one-fifth of the 60 countries are projected to have no food aid needs because, theoretically, they will be able to meet minimum nutritional standards, even with slower growth in their export earnings, because of their strong economic and agricultural performance (assuming no problem of market access). These countries are mainly those that have undertaken and maintained successful policy reforms.

On the other hand, about half the countries are projected to have food aid needs even under optimistic assumptions. These countries have persistent economic or political problems, and all except Haiti, Nicaragua, and Afghanistan are in Sub-Saharan Africa. In the remaining countries, food aid needs are more sensitive to improvement in economic and agricultural conditions.

The driving forces behind increased chronic needs are large population increases, slow growth in agricultural productivity, and slow overall economic growth. Projections of food aid needs are very sensitive to changes in agricultural productivity, population growth, income, and higher world market prices.

Increasing agricultural productivity would significantly reduce food aid needs. In Sub-Saharan Africa -- the most serious case -- doubling the projected rate of increase in grain yields could cut the region's food aid needs by half and total world needs by 25 percent. A similar result could be achieved by reducing projected Sub-Saharan Africa's population growth rate from 2.8 percent to 2.3 percent. On the other hand, the scenario for lower growth in export earnings could increase needs by 16 percent.

Higher world market prices would also have a significant impact on food aid needs. The U.S. Department of Agriculture's Economic Research Service (ERS) analyzed the impact of significantly changed short- and long-run market conditions. This analysis attempted to include both uncertainties about the current situation and some issues raised by differing long-term projections. In the short run, it assumed that 1996 was another year of below-trend production, with yield reductions similar to those in 1995. In the long run, it assumed that China's grain imports were 35 percent higher than the baseline (47 million tons in 2005) and that net import demand by the rest of the world increased by 13.5 million tons over the baseline by 2005. Under these assumptions, world food cereal prices would be \$60 per metric ton higher than the 1996/97 benchmark, then decline over the years, but never reach the lower levels of the benchmark scenario. Prices do not return to the benchmark level because of the increased import demand, but world prices do not stay at the initial high level because as prices rise, other suppliers respond by increasing production and exports. At higher prices, the EU is projected to increase wheat exports (without using subsidies) and to increase wheat production, but not to their historical peak.



Projected food aid requirements rise by 3.3 million metric tons (21 percent) in 1996/97 because higher prices limit what countries can import commercially, and remain some 265,000 tons higher in 2005. Food aid shipments decline because fixed budgets buy less grain at higher prices. Compared to the benchmark, food aid availabilities are about 1 million tons lower in 1996/97 and 280,000 tons lower in 2005. The gap between projected food aid needs and food aid availabilities rises an additional 4.3 million tons in 1996/97 and more than 500,000 tons in 2004/05.

## **Conclusion**

Long-term projections underscore the critical role of agricultural productivity in enhancing food availability. Productivity increases come primarily from public and private investments in agricultural research, which are translated into technologies that are transferred to and adopted by producers. Technology transfer itself depends heavily on the existence of open and efficient input markets and the ability of private firms to operate effectively within them. It is critical that investments in agricultural research, both at the national and the international level, are adequate to support sustained increases in productivity over the next several decades.

The studies cited above also generally support the conclusion that achievement of food security is constrained more at the national than at the global level. National food security, in turn, depends heavily on the decisions of national leaders -- the macroeconomic and sectoral policies they pursue, the extent to which they invest in research and technology to improve yields, the adoption of policies that provide incentives for sustainable natural resource management, the integration of trade policies with sectoral and resource policies, and population policies.

Both the current situation and the higher price scenario highlight the importance of international market conditions to the food security of countries pursuing open, self-reliant food policies. Particularly in an era where many countries are making a transition to more market-oriented policies, sharing the adjustment of shortfalls across importing and exporting countries is critical. Policy-induced contractions of international market supplies both increase variability in years of shortage and short-circuit the process by which open international markets provide increased stability in the long run.

For food-insecure countries facing significantly tighter international markets, short-term assistance for commercial imports may be an important safety net for the world's most vulnerable consumers. There may be a need to review the facilities of the International Monetary Fund and the World Bank for helping poor countries deal with short-term price shocks. Also, World Bank decisions resulting in the recent decline in lending for agriculture and rural development should be revisited.

Developed countries have a special incentive to look closely at the most effective uses of limited food aid resources. This covers several dimensions, including the more effective coordination of food aid and development assistance; the desirability of targeting food aid to



food-insecure countries willing to make a commitment to improving their domestic food security; and options for smoothing the interface between food aid, development assistance, and international trade.

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## ANNEX II

### WHAT FACTORS INFLUENCE FOOD SECURITY?

All three dimensions of food security -- availability, access, and utilization -- may be seriously undermined by any number of root causes. Apart from natural disasters, these include:

- **WAR AND CIVIL STRIFE** -- Without exception, these are the most catastrophic of the self-inflicted causes of food insecurity, causing death and suffering and disrupting food production and distribution, displacing large segments of the population, and destroying years of investment in human, physical, and institutional infrastructure.
- **INAPPROPRIATE NATIONAL POLICIES** -- Government actions can impede every dimension of food security by failing to provide an enabling environment conducive to sustainable food availability, access, and utilization. To prevent this from happening, governments need to adopt economic, political, and social policies that facilitate and complement efficient markets, ensure political stability without resorting to repressive measures, and provide appropriate public goods infrastructures.
- **INADEQUATE DEVELOPMENT, DISSEMINATION, ADAPTATION, AND ADOPTION OF AGRICULTURAL AND OTHER RESEARCH AND TECHNOLOGY** -- Agricultural research and extension provide the foundation for technological innovation and productivity growth. Recent levels of international support for agricultural and other research in both developed and developing countries, including the Consultative Group on International Agricultural Research (CGIAR), are widely considered inadequate to meet anticipated growth in demand for food while maintaining and augmenting the productive capacity of the world's natural resource base. Future success in improving plant varieties and animal breeds will also depend on preservation of a diverse biological resource base accessible to scientists, farmers, and fishers around the world. In addition, developing countries in particular need to invest in research and extension capacity that is appropriate to their long-term food needs. Dissemination of knowledge, genetic resources, and appropriate technologies from research institutions to producers is important.
- **BARRIERS TO TRADE** -- Despite agreements reached in the Uruguay Round to reduce barriers to trade in food products and related goods and services, significant restrictions still remain. Also, continuation of the reform process as called for in the Agreement on Agriculture should address these issues.
- **ENVIRONMENTAL DEGRADATION** -- In many areas of the world, degradation of the natural resource base is already contributing to lower yields in food production, reducing food availability at national levels and food access at the household level. Long-term food security requires sustainable development in the agriculture, forestry, and fisheries sectors based on production systems that preserve the productive capacity and biological diversity of these sectors' natural resource bases.

- **POVERTY** -- A lack of resources at the individual level remains the fundamental cause of malnutrition. This makes poverty alleviation, including basic education, employment, and income generation and all the policies and actions required for their realization, fundamental to improving food security. In many developing countries, large rural populations depend on agricultural production and coastal communities on fish and fish products for employment and income. Thus agricultural and rural development must be a basic component of economic development, and sustainable agricultural productivity must increase if rural incomes are to increase without raising the cost of food.
- **POPULATION GROWTH** -- Stabilizing population reduces the risks of food insecurity by reducing the number of people who need food. The ability to reconcile food needs with the constraints imposed on food production by natural resource endowments and environmental degradation argues strongly for continuing the recent slowing of population growth with the goal of eventually stabilizing global population.
- **GENDER INEQUALITY** -- Women make a major contribution to global and national food availability. They are also key players in household and individual food access through their use of income, and in facilitating food utilization through their role in health maintenance. Yet women face economic, social, cultural, and political obstacles that constrain their ability to fulfill these crucial roles in food security. If access to inputs were more gender-equal, substantial gains in agricultural output would occur.
- **POOR HEALTH** -- The largest impediment to proper food utilization is poor health, a major problem in most developing countries. Poor health is in turn related to poor access to basic health services, health and nutrition education, safe water, sanitation, and family planning. Ensuring access is particularly critical in the first 3 years of life, when illness and malnutrition interact, having devastating life-long consequences.



## **ANNEX III**

### **THE U.S. RECORD IN DOMESTIC FOOD SECURITY**

Domestic food security in the United States exists largely thanks to the nation's agricultural production, processing, and distribution sectors that have provided abundant supplies of food in a variety of forms during all seasons of the year at increasingly affordable prices. The average American spends a smaller proportion of income on food than the citizen of any other country, and this percentage continues to decline. The declining real cost of food is largely due to long and continuous investment in agricultural research and extension, which is responsible for increasing productivity rapidly enough to allow farming to remain profitable even while prices declined and supply increased faster than demand. A competitive food industry supported by a public market information system and physical and institutional infrastructure has demonstrated the ability not only to provide abundant supplies of food for the U.S. population, but also to make the United States the largest exporter of agricultural products in the world.

The continued capacity of the U.S. food system to contribute to both domestic and international food security has been improved by the recent adoption of the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, which increases the flexibility of the farm sector to respond to changing market conditions, continues public support for research, and continues to provide incentives for conservation and sustainable resource use. The continued investment in agricultural research is critical not only to further increases in domestic agricultural productivity but also to the availability of new knowledge and technology for the world at large.

The sustainable use of technology and natural resources is essential to maintain agricultural productivity. The Natural Resources Conservation Service of the U.S. Department of Agriculture (USDA) has policies and programs to conserve soil and water resources by controlling erosion, to protect prime farmland from conversion to nonagricultural uses, to support initiatives for environmentally friendly pest management techniques and integrated pest management programs, to manage animal waste to avoid pollution of ground and surface water, to reduce agricultural damage to air and water quality, and to reduce consumption of non-renewable energy in agricultural production.

Sustainable fishery and forest management policies and programs are critical dimensions of the commitment to long-term food security in the United States. Already the productive capacity of oceans has largely been reached, indicating that increased production can best be realized through improved conservation and management practices and reduction/utilization of waste, including fishing capacity reduction. The main fisheries sector subject to increase is aquaculture, and this should be undertaken in an environmentally sensitive and sustainable manner. Forests provide a direct source of food, they support agricultural production by helping to manage soil and water systems and by controlling wind, they provide essential nutrients and medicines that increase the nutritional impact of other foods, they provide fuelwood for cooking, preserving, and

processing foods (especially in developing countries), they support livestock systems by providing fodder, and they provide genetic resources for the improvement of food crops.

The contribution of the food and agriculture sectors to food security is augmented by food assistance programs targeted at low-income individuals, programs to promote healthy eating, and actions to promote food safety and quality. A series of income and medical safety net programs also indirectly affect household food security by maintaining adequate incomes for the elderly, disabled, and economically vulnerable. The following overview of programs and policies in support of domestic food security draws heavily on the draft plan of action prepared as follow-up to the International Conference on Nutrition.

### **1. Nutrition Programs**

The United States has a plentiful supply of safe, nutritious food, with productivity and efficiency on American family farms growing rapidly in recent years. This growth has allowed the United States to amply feed its own population and yet provide an average of some 165 million tons (valued at \$57 billion) for export commercially and for utilization in critical food aid programs (1995-96 average). Through a combination of domestic production and global sourcing, U.S. food markets feature a wide variety of inexpensive food year round. In part, this accounts for the major successes in improving the nutritional well-being of our population. Chronic dietary energy deficiency and protein-energy malnutrition are extremely rare. Once prevalent micronutrient deficiency diseases (e.g., rickets, pellagra, and scurvy) are now almost unknown within U.S. borders.

Despite these advances, significant problems remain. There are sub-populations in rural areas, reservations, and inner cities where long distances, limited access to transportation, and limited financial resources restrict the ability to purchase an adequate diet. National studies have found that 2-4 percent of American households report that they sometimes or often do not have enough food. (Low-income households are at greater risk, with about 10-16 percent reporting food insufficiency, according to a 1994 USDA/Department of Health and Human Services [DHHS] study). For some people, food security problems are compounded by poor facilities for cooking and food storage or limited skills in food preparation and home economics.

The United States, largely through the U.S. Department of Agriculture, has developed a strong programmatic response to problems of domestic food insecurity. USDA administers 16 food-assistance programs whose goals are to improve nutritional status by providing access to a more nutritious diet, improve the eating habits of the nation's children, and help America's farmers by providing an outlet for the distribution of foods purchased under farmer assistance authorities. An average of more than 45 million people per month, or 1 in 6 Americans, are now served by the nutrition programs. The Food Stamp Program alone serves almost 27 million people each month, more than half of whom are children. Another 7 percent are elderly.



USDA works in partnership with the states and the private sector in all its programs. The Federal government is generally responsible for food costs for the programs and shares administrative costs with the states. States are responsible for determining the eligibility of needy persons to participate in the programs, as well as for the delivery of services. Non-governmental institutions, such as food banks, soup kitchens, and emergency food assistance sites, work with Federal and state authorities to provide access to nutritious foods.

Outlays for USDA's food-assistance programs totaled almost \$38 billion in fiscal 1995. Designed as a safety net to help meet the basic nutritional needs of eligible low-income people, USDA's food-assistance programs take a variety of forms, differing by size, form of benefit, and target population. Three programs -- the Food Stamp Program, the National School Lunch Program, and the Women, Infants, and Children (WIC) Program -- account for 88 percent of total food-assistance outlays.

The cornerstone of USDA's food assistance programs is the Food Stamp Program. It supplements the food purchasing power of eligible low-income households by issuing monthly benefits through coupons or Electronic Benefit Transfer (EBT) cards, which are redeemable at authorized retail food stores. The Food Stamp Program is the only one of the nutrition programs designed to meet the nutritional needs of low-income households.

The National School Lunch Program provides subsidized lunches to children in public and nonprofit private schools and residential child care institutions. Low-income children receive free or reduced-price lunches.

The WIC program is designed to improve the health of nutritionally at-risk, low-income pregnant and post-partum women, infants, and children up to 5 years old by providing nutritious supplemental food and nutrition education, and by serving as an adjunct to health care.

There are a number of lessons learned from the 20-30 years of U.S. experience with nutrition programs that have applicability to developing countries. First, even in developed countries such as the United States, there exist subgroups of the population that are often at risk of hunger and food insecurity. Targeted nutrition programs, such as the Food Stamp Program and WIC, are an efficient, effective way of reaching these vulnerable groups. National U.S. data from 1965/66 to 1977/78 indicate that the diets of low-income households participating in the Food Stamp Program improved more during this time period than did the diets of other income groups. Targeting of benefits based on income and/or nutritional risk increases the effectiveness for reaching vulnerable households and individuals.

## **2. Programs To Promote Healthy Eating**

In the United States, the typical American diet is high in fat, saturated fat, and sodium and too low in fiber and complex carbohydrates. Such diets are associated with increased risk of chronic health conditions such as heart disease, cancer, stroke, diabetes, hypertension, obesity,

and osteoporosis -- conditions estimated to cost the United States \$250 billion in annual medical care costs and productivity losses.

Federal policies to promote healthy eating in the United States are guided by the recommendations in the Dietary Guidelines for Americans, published jointly by the U.S. Department of Agriculture and the Department of Health and Human Services. Put together by a panel of experts based on the preponderance of scientific and medical evidence at the time they are published, the Dietary Guidelines provide general recommendations for healthy people 2 years and older. To ensure the recommendations keep pace with scientific developments, the Dietary Guidelines are updated every 5 years. The 1995 Dietary Guidelines make seven recommendations: Eat a variety of foods; balance the food you eat with physical activity; maintain or improve your weight (i.e., adjust toward your recommended healthy weight); choose a diet with plenty of grain products, vegetables, and fruits; choose a diet low in fat, saturated fat, and cholesterol; choose a diet moderate in sugars, salt, and sodium; and if you drink alcoholic beverages, do so in moderation.

The Food Guide Pyramid and the Nutrition Facts label serve as educational tools to put the Dietary Guidelines into practice. The Food Guide Pyramid, developed jointly by USDA and DHHS, translates the recommendations in the Dietary Guidelines into the kinds and amounts of foods to eat each day. It aggregates foods into five major food groups and provides a recommended number of daily servings for each food group. The Nutrition Facts label, now required on most processed foods and available on a voluntary basis for the most commonly consumed types of raw fish, meat, poultry, vegetables, and fruits, provides information on the major nutrients to help consumers place each food into an overall healthy diet. In addition, the 1993 nutrition labeling regulations provide definitions for nutrient content claims so as to prevent label information from being false or misleading, and authorize specific health claims about diet/disease relationships. USDA's "Team Nutrition," launched in 1995, includes over 200 public and private partners in an effort to improve the health and education of children by creating innovative partnerships that promote food choices for a healthful diet through the media, schools, families, and the community. Other governmental strategies for improving eating patterns in the United States include updating nutrition standards of established programs to conform to the Dietary Guidelines, as has been done in the School Meals Initiative for Healthy Children; developing public-private partnerships, such as the 5-A-Day for Better Health (a joint effort by the National Cancer Institute of DHHS and the Produce for Better Health Foundation, with the aim of increasing average consumption of fruits and vegetables to at least five servings daily by the year 2000); expanding and improving current nutrition education approaches; and improving policy action through research and evaluation.

### **3. Federal Actions To Promote Food Safety and Quality**

Federal, state, and local governments and the food industry work together to provide safe and abundant food and water supplies. As a result, food and drinking water in the United States is generally safe for human consumption. Yet, despite advances in technology, public health problems such as food-borne disease occasionally do occur.



The U.S. Government assures the safety of the food supply in several ways, including the promulgation of regulations, in-plant inspections, regulation of food additives, regulation of chemical compounds used in agricultural production, laboratory analyses for contaminants, and enforcement actions. The Government also regulates product offerings by foreign firms and countries for import into the United States.

At the Federal level, the USDA, the Food and Drug Administration (FDA), and the Environmental Protection Agency (EPA) are primarily responsible for ensuring the safety of food supplies. USDA is responsible for inspection of meat and poultry products at the processing level, for egg and egg-related product safety, and for on-farm efforts to improve food safety and quality. The FDA is responsible for the safety of all other foods. The EPA is responsible for regulating the use of pesticides and other farm chemicals that may pose a health risk to consumers when residues are present in the foods they eat.

Several Federal programs are in effect to address food safety and quality. The USDA's Pathogen Reduction Program focuses on the prevention and reduction of microbial pathogens in food production. The program includes activities that study the relationships among pathogens in animals on the farm, changes occurring in the pathogen profile in animals during transit, and changes occurring in the slaughterhouse. In another initiative, the USDA, EPA, and FDA recently announced the formation of the Pesticide Environmental Stewardship Program. Through this voluntary partnership, the Federal Government will promote the use of Integrated Pest Management (IPM) technologies that develop site- and crop-specific pesticide use and reduction strategies. The goal of the program is to enroll 75 percent of U.S. agricultural acreage in IPM risk-reduction strategies by the year 2000.

As an improved means to identifying and preventing food safety problems before they reach consumers, the United States is actively championing the food industry-wide use of the Hazard Analysis and Critical Control Point (HACCP) system. The system shifts from the traditional end-point testing, which relies upon the inspectors' sense of sight and smell to identify unsafe foods. While effective at identifying some forms of degraded food product, these traditional testing methods do not identify microbial pathogens that may cause illness when present in products eaten by consumers. The HACCP system uses a science-based analysis to identify potential hazards and establishes critical control points where the hazards can be prevented, eliminated, or reduced to acceptable levels during food production and processing. The FDA recently required the establishment of HACCP plans for improving the quality of fish and shellfish products in the United States. The USDA has proposed such a system for meat and poultry inspections. This proposal is currently under review, with a final decision on implementation due in 1996.

#### **4. Income and Medical Safety Net Programs**

In the United States, as in other countries, food insecurity is most often a problem of lack of access or insufficient income. It is relevant to the discussion of food security in the United States to note that in addition to food assistance programs, Federal social insurance, disability insurance,



welfare, and medical programs provide retirement income and medical insurance to virtually all the elderly, transitional assistance to individuals and families facing temporary economic hardship, and a social safety net for the most economically vulnerable populations.

The largest Federal income support program is the Old Age, Survivor, and Disability Insurance program (OASDI) operated by the Social Security Administration and popularly known as "Social Security." Social Security accounted for 22.1 percent of all Federal outlays in 1995, and its benefits amounted to 6.4 percent of total personal income nationwide. The program is funded by a payroll tax on all wage, salary, and self-employment earnings. Supplemental Security Insurance (SSI) provides income support to low-income blind and disabled persons and to low-income elderly persons not covered by Social Security. Aid to Families with Dependent Children (AFDC) provides income support to very-low-income families with children under age 18. The overwhelming majority of beneficiaries (93 percent) are in female-headed families, although two-parent families with both parents unemployed also qualify. The Federal Medicare program provides subsidized health insurance for the elderly (aged 65 or older) and certain disabled persons under age 65. Medicaid is a combined Federal-State program that provides medical assistance for certain categories of the poor, including disabled persons, families with dependent children, and elderly not covered by Medicare.

## ANNEX IV

### THE U.S. RECORD IN INTERNATIONAL FOOD SECURITY

In addition to its leadership in agricultural and trade policies, agricultural research, and long-term environment forecasting, the United States has contributed to international food security by its commercial trade and through foreign aid.

#### 1. Commercial Trade

During the post-World War II era, the United States has been a leading force in making the world more food-secure. The United States contributes to world food security by remaining a major source of agricultural commodities. U.S. agricultural exports for fiscal year 1996 are projected to reach a record level of \$60 billion. Imports are a major source of food in many countries and they are becoming increasingly important as agricultural trade has grown more rapidly than production in almost every year of this era. World agricultural trade is approaching \$250 billion and continues to grow. The U.S. share of this total is estimated at about 23 percent, up more than one-third since 1986.

The United States is committed to remaining a reliable supplier of food to its trading partners. With current grain supplies tight, the Secretary of Agriculture has taken several steps to ensure that more U.S. grain will be available to the market, announcing an early-release option for eligible land in the Conservation Reserve Program and the authority to release wheat from the U.S. Food Security Commodity Reserve to meet humanitarian food aid needs. The Secretary also has reaffirmed that the U.S. Government will not restrict exports because of current high prices and tight supplies. The U.S. agricultural sector has traditionally borne the brunt of swings in global grain production. In times of global surplus, the U.S. Government carried excess grain stocks, which had a depressing effect on U.S. prices. When the world market was short, importers looked to the United States to meet their needs. In doing so in years of reduced U.S. grain harvests, domestic users (along with importers) of grain faced higher prices. For the U.S. livestock sector, the largest use sector for U.S. grains, tight supplies have regularly resulted in sharp cutbacks in U.S. feed use of grains. Keeping the U.S. market open has meant that domestic users compete for tight supplies at higher prices.

The U.S. market makes major adjustments in grain use for livestock feeding in periods of tight supply in order to maintain its role of a reliable supplier of grains to world markets. During 1995/96, higher prices for grain reduced U.S. livestock feeding by 30 million tons from the previous year. This 18-percent reduction in use came as customers in Asia imported and consumed record volumes of grains. The U.S. reaction is in sharp contrast to actions of other exporters who are protecting domestic grain users from tight supplies by taxing exports to stem the outward flow. Feed use of grain in exporting countries is expected to be up for the third consecutive year, while importers are forced to seek alternate supplies from nontraditional exporters.

The United States is a major importer of food from developing countries, providing them with valuable foreign exchange. The European Union, Japan, and the United States are the world's largest importers of agricultural products by a large margin. For fiscal year 1996, U.S. agricultural imports are forecast at \$30.5 billion. Taken as a group, developing countries have historically supplied just over half of total U.S. agricultural imports. In fiscal 1996, imports from developing countries are forecast at \$16.4 billion or 54 percent of the total.

Six developing countries made the list of the top 10 suppliers of agricultural products to the United States in 1995. Third-ranked Mexico was followed by Indonesia, Brazil, Colombia, and Thailand; Guatemala placed tenth. If the list were expanded to include the top 20 suppliers, the number of developing countries would jump to 15 and include Costa Rica, Ecuador, the Philippines, Chile, China, Malaysia, Argentina, India, and the Dominican Republic.

Many of the products the United States imports from developing countries are generally not grown domestically, such as coffee, cocoa, tea, rubber, bananas, and tropical oils. However, the United States also imports large quantities of products identical or similar to those produced domestically. These include a wide assortment of fresh and processed fruits and vegetables, nursery products, sweeteners, live animals, and tobacco. As a member of the World Trade Organization (WTO), the United States applies its sanitary and phytosanitary regulations in a non-discriminatory fashion.

In addition, the United States has provided leadership in assuring a more open, fair, and efficient world trading system. This leadership has most recently been exhibited through efforts to bring agriculture more effectively under the multilateral rules in establishing a more effective dispute settlement mechanism for the new WTO. The North American Free Trade Agreement (the first regional trade agreement to include developing and developed countries), the Caribbean Basin Initiative, and U.S. participation in discussions of an Asia-Pacific Economic Community are indications of U.S. willingness to open its markets to developing countries and its recognition of the importance of free and open markets to ensuring improved availability and access to food by developing as well as developed countries. The Uruguay Round Agreement and the WTO represent important steps in reforming the global trading system, opening markets, and establishing new rules for fair trade. Trade stimulates competition, helps gear production to demand, increases employment, boosts investment, bolsters economic growth, and facilitates the broad sharing among countries of supply and demand shocks, thus reducing the variability of world market prices.

## **2. Development Assistance**

The United States has given over \$250 billion in non-military development assistance since 1962. In 1995, such assistance totaled over \$10 billion, of which nearly 80 percent was given in bilateral programs to more than 90 countries. About \$1.35 billion worth of U.S. assistance was in the form of food aid, including \$500 million for emergency relief. The United States provides over half of global food aid in most years. In addition, the United States made major



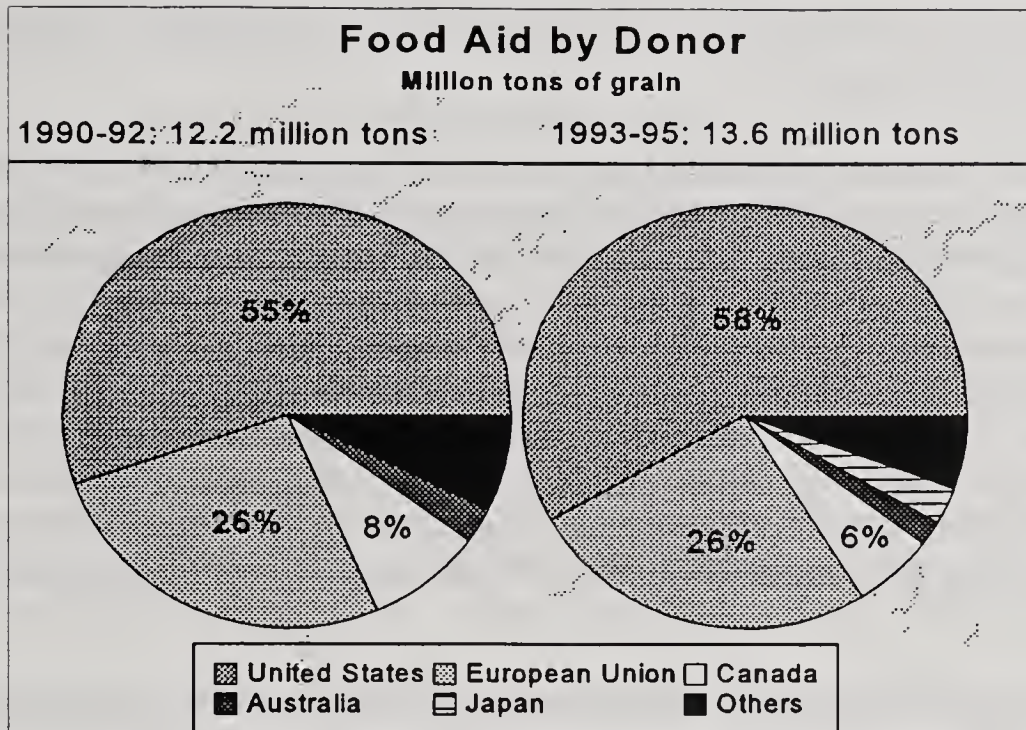
contributions to international agricultural research and international financial institutions that deal with agricultural and rural development programs.

Most U.S. development aid is administered by the U.S. Agency for International Development (USAID). All USAID programs are directed toward sustainable development. Food security is an important aspect of sustainable development and is closely linked to each of the Agency's key goals. Achievement of broad-based economic growth reduces poverty and thereby improves the distribution of resources used to obtain food. Stabilizing population reduces the aggregate need for food production. Protecting human health facilitates the utilization of food and improves the capacity to produce income. Managing the environment for long-term sustainability reduces the risk of shortages in income for poor people who are dependent on natural resource inputs to production. It also assures the long-term productive capacity of the earth. Building sustainable democracies strengthens access to resources by poor people. Saving lives and reinforcing development potential in emergency circumstances provides a safety net against acute regional food shortages and speeds the rehabilitation of local capacity for food security. USAID recognizes the importance of several themes that crosscut its main objectives and that also contribute to enhancing food security. These are women's empowerment, community empowerment, research and capacity building, and crisis prevention. Finally, USAID's linkages with non-governmental organizations, U.S. universities, private businesses, and bilateral and multilateral partners bring to bear these institutions' experience and resources to improving food security in developing countries.

The U.S. contribution to economic development efforts is put in perspective by a recent evaluation of USAID investment in agriculture, which presented two overarching conclusions. First, a country's predisposition to agricultural development is important for success -- whether or not this commitment is linked to donor investments. Second, the main bottlenecks binding agricultural growth are most likely to occur in policy reform, technology development, and rural infrastructure; they are least likely to occur in services and asset distribution.

The United States is the largest donor of food aid in the world. In total levels, the United States provides over half of all food aid, followed by the European Union and Canada (*see graph: "Food Aid by Donor"*). Food aid is administered under five separate programs:

- Title I (concessional sales) is administered by the U.S. Department of Agriculture (USDA). Countries eligible for Title I agreements are less poor than those addressed in the other two titles. They are expected to graduate from concessional sales in a relatively short time; they will then be able to purchase agricultural commodities in the world's commercial markets. Title I countries buy U.S. farm products on credit, then sell them through public or private channels. Sales proceeds can be applied to various development efforts.



- Title II (relief and development) is administered by USAID. USAID programs commodities under this Title through the World Food Program (WFP), international and local non-governmental organizations (NGOs), and private voluntary organizations (PVOs), as well as on a government-to-government basis for emergencies. Commodities are used to support both development and emergency aid projects. Disaster preparedness programs blend the two ideas, reflecting the awareness that the devastating effects of disasters can be mitigated or prevented by efforts to anticipate and prepare for them. Title II commodities may be sold ("monetized") in order to provide local currencies to assist the development impact of food aid.
- Title III (government-to-government grants) is also administered by USAID. Title III commodities provided to countries characterized as "least developed" may be used in direct feeding programs, including those that deal with special health and nutritional needs of children and mothers. These commodities may also be sold locally by the government of the recipient country; proceeds of the sale must be used in development programs that alleviate hunger, improve nutrition, and support various child survival efforts, or used to promote policy reforms that lead to these objectives.
- The Food for Progress Program is administered by the U.S. Department of Agriculture. Commodities are provided on a grant basis to developing countries that are emerging democracies and have made a commitment to introduce or expand free enterprise elements into their agricultural economy.
- A Food Security Commodity Reserve of up to 4 million metric tons is authorized to meet humanitarian food needs in developing countries. In response to the current tight world



market for grain, the President recently authorized release of up to 1.5 million metric tons of wheat from the Reserve.

Food aid in emergency situations and transitions from emergencies is provided primarily through Public Law 480 Title II. Also important is non-food emergency and refugee funding from the Migration and Refugee Assistance (MRA) account and the no-year funding in the President's Emergency and Refugee Migration Assistance (ERMA) fund. The State Department provides annual contributions to major international organizations, including the U.N. High Commission for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC), on a multilateral basis for their worldwide humanitarian assistance activities. Depending on the situation and other sources of U.S. Government funding available, contributions from these accounts may be provided to the World Food Program to support refugee-related activities performed in conjunction with UNHCR under the provisions of their Memorandum of Understanding.

Finally, the United States has made major contributions to international agricultural research and international financial institutions that deal with agricultural and rural development programs. Specifically, it provided substantial resources to the Consultative Group on International Agricultural Research (CGIAR) system (approximately \$28 million in 1995) and other collaborative international research. The United States has had a leadership role in the agricultural and rural development activities of the World Bank and other international financial institutions through their capital replenishments. U.S. appropriations for 1995 to international financial institutions like the World Bank, the European Bank for Reconstruction and Development, and the African Development Bank totaled approximately \$1.84 billion; 1996 appropriations stand at \$1.15 billion. The United States has in the past and will continue in the future to support the important work of these institutions in the battle to help improve world food security in the neediest countries of the world.

## ANNEX V

### URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS

The Uruguay Round of Multilateral Trade Negotiations was the first round of General Agreement on Tariffs and Trade (GATT) negotiations to address comprehensive reform to improve international competition in agricultural trade. The United States and more than 120 other countries participated in the Round from 1986 through 1994. The United States reaffirms the commitments it made in the Uruguay Round and will faithfully carry them out. These include commitments to reduce trade-distorting subsidies and provide new market access opportunities. In addition, the United States views the Uruguay Round as a first step in the reform process to promote a more free and fair trading system for global agriculture.

The Agreement on Agriculture resulting from the Uruguay Round negotiations brings agricultural trade under the multilateral discipline of the GATT (now the World Trade Organization or WTO) for the first time. It entered into force on Jan. 1, 1995.

For market access, all countries were required to eliminate non-tariff trade barriers and replace them with tariffs, thus simplifying future negotiations to liberalize agricultural markets. Developed countries must also reduce each agricultural tariff by a minimum of 15 percent over 6 years, while developing countries must make minimum 10-percent reductions in each agricultural tariff over 10 years. Within those same time frames, countries must make an overall average tariff reduction of 36 percent (developed countries) or 24 percent (developing countries). The agreement also required all countries to establish minimum access opportunities and maintain current access opportunities for products previously subject to non-tariff import barriers.

The Uruguay Round also resulted in the first meaningful discipline on agricultural export subsidies. Using the average levels of export subsidies in the 1986-90 period as a base, developed countries must reduce export subsidies by 21 percent in quantity terms and 36 percent in budgetary outlay terms. These two reduction requirements for developing countries are 14 percent and 24 percent, respectively. Products which did not receive export subsidies in the base period are not eligible for future subsidies. *Bona fide* food aid programs are exempt from reductions.

Prior to the Uruguay Round, national support for farmers was restricted only by countries' own budgets. Under the WTO, developed countries must reduce total trade-distorting support (from the 1986-88 average level) by 20 percent by the year 2000. Developing countries must reduce support by 13 percent by the year 2004. For all countries, certain specified types of domestic support, which were determined not to induce production or distort trade, are not subject to reduction.

The Uruguay Round is projected to increase global income and promote economic growth and development throughout the world through free and fair international trade. New opportunities for developing countries' agricultural and manufacturing producers to supply domestic and export markets will contribute to overall economic growth and, thus, food security.



## ANNEX VI

### RELEVANT INTERNATIONAL CONFERENCES AND CONVENTIONS

Conclusions reached and action plans adopted at a number of recent international conferences and conventions will, if implemented, make a significant contribution to global food security. Among these fora, the U.N. Conference on Environment and Development (UNCED), the International Conference on Nutrition (ICN), the U.N. Conference on Population, and the Fourth World Conference on Women all emphasized sustainable national policies that would impact, in part, on enhanced global food security. The United States intends to promote vigorously the realization of the goals set at these conferences and other meetings, and believes it is important that the World Food Summit build upon these existing initiatives.

#### **1. U.N. Conference on Environment and Development (UNCED) and Major Post-UNCED Activities, Initiatives, or Treaties**

The 1992 U.N. Conference on Environment and Development (UNCED) -- popularly known as the Rio Earth Summit -- launched the current cycle of U.N. conferences on global issues that culminated in the Habitat II Conference in Istanbul in June 1996, as well as various environmental negotiations. Sustainable development is the underlying principle in the post-UNCED era. UNCED's Agenda 21 and the documents that emerged from the subsequent conferences recognized that socio-economic development and environmental protection are interdependent and mutually reinforcing components for sustainable development. The components have been further elaborated under various negotiations and initiatives as they apply to population, social development, forest, climate change, biodiversity, desertification, and women, just as they were applied to urbanization at Habitat II and to genetic resources for agriculture at the Leipzig Conference.

Throughout the post-UNCED era and during the course of this conference cycle, the United States has continued to emphasize the importance of sustainable development and has opposed efforts to substitute the term "sustained economic growth" for "sustainable development." Sustained economic growth is an unacceptable retreat from UNCED because it downplays the environmental aspects of development. The United States has repeatedly stressed the need for sustainable development as the overarching building block for worldwide economic, environmental, and social progress at all levels: local, national, regional, and global.

In follow-up to the UNCED, the U.S. Government has firmly supported the Commission on Sustainable Development (CSD) as a forum for resolving sustainability issues and has actively participated in various important environmental discussions and negotiations, such as the climate change convention, desertification convention, lead-up to the International Technical Conference on Plant Genetic Resources, CSD Intergovernmental Panel on Forests, renegotiation of the International Tropical Timber Agreement, and international and regional agreements on criteria and indicators for sustainable forest management.



The essential role of forests in maintaining productive agricultural systems in many areas of the world is now well-recognized. It is also acknowledged that unsustainable agriculture had led to widespread deforestation around the world, often destroying the very soil and water conservation functions necessary to support downstream and adjacent agriculture. Since UNCED, the United States has taken steps domestically and internationally to promote sustainable forest management for the full range of socio-economic and environmental benefits. In June 1993, at the European Ministerial Conference on Forests in Helsinki, the United States became the first country to publicly commit to the goal of achieving sustainable management of its forests by the year 2000. President Clinton personally reaffirmed this commitment in his message to the July 1994 World Forestry Charter Gathering at St. James Place, London.

The United States also reaffirms its support for the objectives of the Convention on Biological Diversity (CBD). The conservation of biodiversity and the sustainable use of its components serve important environmental goals. Benefits include new food sources, improved agricultural products and procedures, as well as tools for combating disease and helping maintain the health of the world's ecological systems.

Additionally, the United States recognizes the importance of other recent environmental agreements for the sustainability of the world's food resources. These include the recently completed Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, the Food and Agriculture Organization (FAO) Code of Conduct for Responsible Fisheries, and the FAO Ministerial Meeting on Fisheries. The United States places highest priority on ratification and implementation of the U.N. Agreement and the Compliance Agreement and on implementation of the Code of Conduct. Priorities include strengthening/creating sub-regional and regional fishery organizations, issues of overcapacity and bycatch/discards, and efforts to promote and strengthen scientific research as the fundamental basis for sustainable development of fisheries and aquaculture activities to ensure food security.

These activities are all worthy of mention as they elaborate the concept of integrating environment and development concerns and are illustrative of a progressive/innovative approach to food security that looks at the "big picture" of what is involved in sustainable agriculture. Key themes that the United States has stressed in the course of these activities include:

- Pursuit of sustainable economic development is a prerequisite for reducing poverty and attaining social progress.
- National economic strategies needed to ensure that the benefits of development are widely shared.
- The key role of free markets, private enterprise, and an open world trading system.
- Protection of the environment, including the conservation and sustainable use of natural resources (e.g., forests, water, genetic resources, and biodiversity) in order to preserve the benefits of economic development for future generations.
- Investment in human capacity building is essential for sustainable development. This includes investment in:

- protecting human health and improving human nutrition,
- promoting literacy,
- promoting gender equity, and
- stabilizing population growth.
- Good governance and transparency as essential to ensure meaningful participation by all members of society in decisionmaking.
- Government as a force for enablement, creating the conditions that empower key players to solve problems on their own.
- Partnership among all levels of public and private actors in the public decisionmaking process so that communities and individuals have a stake in their success.
- Respect for human rights is a vital component of sustainable development.

## **2. International Conference on Nutrition**

The 1992 International Conference on Nutrition (ICN), jointly sponsored by the World Health Organization (WHO) and the Food and Agriculture Organization at FAO headquarters in Rome, emphasized the following principles and themes which the United States and 158 other countries adopted:

- Incorporating nutritional objectives, considerations, and components into development policies and programs;
- Improving household food security;
- Protecting consumers through improved food quality and safety;
- Preventing and managing infectious diseases;
- Promoting breast feeding;
- Caring for the socio-economically deprived and nutritionally vulnerable;
- Preventing and controlling specific micronutrient deficiencies;
- Promoting appropriate diets and healthy lifestyles; and
- Assessing, analyzing, and monitoring nutrition situations.

Since the 1992 ICN, the United States has moved forward in the fight against hunger. The Government has renewed its pledge to maintain a nutrition safety net for the food-insecure and nutritionally vulnerable, as articulated in the U.S. Plan of Action for the ICN. That plan emphasized a variety of specific strategies: access to nutrition assistance, including access to food for all food-insecure groups; improved community efforts to combat food insecurity; and improved future policy and action through continued research on identifying effective approaches to alleviating food insecurity. Putting these pledges into action, the recently passed Federal Agriculture Improvement and Reform Act of 1996 extends the authorization for the U.S. Food Stamp Program. The Administration has also endorsed full funding for the Special Supplemental Food Program for Women, Infants, and Children (WIC) in order to serve all eligible individuals.



### 3. U.N. Conference on Population and Development

The 1994 U.N. Conference on Population and Development produced the Cairo Program of Action, which emphasized the role of unsustainable resource use as a cause of environmental problems and urged the development and sharing of environmentally sustainable technologies and practices. It also called for the integration of population dynamics into planning for sustainable development and asked governments to integrate women into matters of natural resource protection and management. In its support for the Cairo Program of Action, the United States has sought to emphasize the linkages between food security and population stabilization, rational population distribution, alleviating poverty, protecting the environment, and introducing appropriate technologies. The United States has advocated sound national development policies that integrate these objectives.

Chapter III ("Interrelationships Between Population, Sustained Economic Growth, and Sustainable Development") highlighted the following issues:

- The need for measures to strengthen food, nutrition, and agricultural policies and programs with special attention to the creation and strengthening of food security at all levels;
- The need for measures aimed at the eradication of poverty, with special attention to income-generation and employment strategies directed at the rural poor and those living within or on the edge of fragile ecosystems;
- The importance of utilizing demographic data to promote sustainable resource management, especially for ecologically fragile systems;
- The need to modify unsustainable consumption and production patterns ... with the aim of fostering sustainable resource use and preventing environmental degradation.
- The importance of implementing policies to address the ecological implications of inevitable future increases in population numbers and changes in concentration and distribution.

### 4. Fourth World Conference on Women

The 1995 Fourth World Conference on Women produced the Beijing Declaration and Platform for Action with its 12 strategic objectives. It refocused the attention of the world on the critical importance of eliminating discrimination and violence against women, increasing women's access to education, health services, productive resources, and employment, and fully involving women in power structures and decisionmaking, including environmental and conflict resolution.

The Beijing Platform emphasizes women as agents of change rather than as passive beneficiaries or victims. It outlines in detail actions to take that will enable women, as agents of change, to participate fully in decisionmaking at all levels in economic, social, and political institutions. And it looks forward to their doing so in full partnership with men.

For the first time, in every area -- health, education, violence against women, economic development, work, and family -- the document stresses the rights of the individual. There are



actions to ensure that women have access to information, to credit, and to the careers or professions of their choice, and to be safe from violence, in or out of the home.

The Platform advances the agenda for women's economic security, which is essential for independence, self-sufficiency, and, increasingly, for family well-being. The Platform calls for equality for women in the work place and equal opportunity for entrepreneurs, with a special emphasis on credit. Access to credit, particularly through micro-enterprises, is a key priority. As First Lady Hillary Rodham Clinton said in Beijing: "If there is any message that this Conference could bring about economic opportunity, it is that we must engage in micro-credit in order to build micro-enterprises. We must open the doors of banks and other existing financial institutions to women who can become self-sufficient and responsible borrowers." Economic security for women, in turn, enhances the prospects for food security around the world.

The United States strongly reaffirms its support for the Beijing Declaration and Platform for Action and recognizes the special role played by women in achievement of food security.

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